

COUNSEL | PORTFOLIO SERVICES

Counsel Money Market

INTERIM UNAUDITED FINANCIAL STATEMENTS

For the period ended September 30, 2021

These Financial Statements do not contain the Management Report of Fund Performance ("MRFP") of the investment fund.

A copy of the Fund's current Simplified Prospectus, Annual Information Form, Management Report of Fund Performance, Fund Fact Sheets, quarterly portfolio disclosures and proxy voting policies and disclosures will be provided, without charge, by: calling toll-free 1-877-625-9885, writing to Counsel Portfolio Services Inc., 5015 Spectrum Way, Suite 300, Mississauga, ON, L4W 0E4, by visiting our website at www.counsel-services.com or by visiting www.sedar.com.

Counsel Portfolio Services Inc., the Manager of the Fund, appoints independent auditors to audit the Fund's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice. The Fund's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

STATEMENTS OF FINANCIAL POSITION

at September 30, 2021 (unaudited) with comparative figures at March 31, 2021 (audited)
(in \$ 000 except per security amounts)

	Sep. 30 2021	Mar. 31 2021
Assets		
Current assets:		
Investments at fair value	18,916	24,079
Cash	1,548	18
Accrued interest receivable	19	32
Dividends receivable	–	–
Accounts receivable for investments sold	–	–
Accounts receivable for securities issued	–	10
Accounts receivable from the Manager	3	6
Margin on derivative contracts	–	–
Derivative assets	–	–
Other assets	–	–
	20,486	24,145
Non-current assets:		
Taxes recoverable	–	–
Other assets	–	–
	–	–
Total assets	20,486	24,145
Liabilities		
Current liabilities:		
Bank indebtedness	–	–
Accounts payable for investments purchased	132	427
Accounts payable for securities redeemed	20	25
Dividends payable	9	9
Accrued expenses and miscellaneous payables	1	1
Dividends payable on investments sold short	–	–
Derivative liabilities	–	–
Taxes payable	–	–
Other liabilities	–	–
Total liabilities	162	462
Net assets attributable to securityholders	20,324	23,683

STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended September 30 (unaudited)
(in \$ 000 except per security amounts)

	2021	2020
Income:		
Dividends	–	–
Interest income	23	111
Net realized gain (loss)	–	–
Net unrealized gain (loss)	–	–
Income (loss) from derivatives	–	–
Income (loss) from short selling	–	–
Securities lending income	–	–
Trust income	–	–
Total income	23	111
Expenses:		
Management fees	98	112
Management fee rebates	–	–
Administration fees	17	20
Commissions and other portfolio transaction costs	–	–
Independent Review Committee costs	–	–
Interest and other charges	–	–
Expenses before amounts absorbed by Manager	115	132
Expenses absorbed by Manager	(106)	(60)
Net expenses	9	72
Increase (decrease) in net assets attributable to securityholders		
from operations before tax	14	39
Foreign withholding tax expense (recovery)	–	–
Foreign income tax expense (recovery)	–	–
Income tax expense (recovery)	–	–
Increase (decrease) in net assets attributable to securityholders	14	39
from operations	14	39

	Net assets attributable to securityholders			
	per security		per series	
	Sep. 30 2021	Mar. 31 2021	Sep. 30 2021	Mar. 31 2021
Series A	10.00	10.00	17,423	18,731
Series C	10.00	10.00	1	1
Series F	10.00	10.00	2,147	1,399
Series I	10.00	10.00	710	685
Series O	10.00	10.00	–	2,824
Series Private Wealth	10.00	10.00	43	43
			20,324	23,683

	Increase (decrease) in net assets attributable to securityholders from operations			
	per security		per series	
	2021	2020	2021	2020
Series A	0.01	0.01	10	5
Series C	–	0.01	1	–
Series F	0.01	0.01	1	1
Series I	0.02	0.03	–	3
Series O	0.01	0.04	2	30
Series Private Wealth	0.01	n/a	–	n/a
			14	39

STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended September 30 (unaudited)
(in \$ 000 except when stated)

	TOTAL		SERIES A		SERIES C		SERIES F	
	2021	2020	2021	2020	2021	2020	2021	2020
Net assets attributable to securityholders, beginning of period	23,683	30,199	18,731	19,618	1	2	1,399	3,438
Increase (decrease) in net assets attributable to securityholders resulting from:								
Operations	14	39	10	5	1	–	1	1
Distributions:								
Income	(14)	(39)	(10)	(11)	–	–	(1)	(2)
Capital gains	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–
Total distributions	(14)	(39)	(10)	(11)	–	–	(1)	(2)
Security transactions:								
Proceeds from sale of securities	10,225	14,794	8,134	10,915	552	610	1,305	1,269
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–
Reinvested from distributions	14	39	10	11	–	–	1	2
Payment on redemption of securities	(13,598)	(14,022)	(9,452)	(9,245)	(553)	(611)	(558)	(2,747)
Total security transactions	(3,359)	811	(1,308)	1,681	(1)	(1)	748	(1,476)
Increase (decrease) in assets attributable to securityholders	(3,359)	811	(1,308)	1,675	–	(1)	748	(1,477)
Net assets attributable to securityholders, end of period	20,324	31,010	17,423	21,293	1	1	2,147	1,961
Increase (decrease) in securities (in thousands):								
Securities outstanding, beginning of period			1,873	1,961	–	–	140	344
Add (deduct):								
Securities sold			813	1,092	55	61	131	127
Securities issued on merger			–	–	–	–	–	–
Reinvested from distributions			1	1	–	–	–	–
Securities redeemed			(945)	(925)	(55)	(61)	(56)	(275)
Securities outstanding, end of period			1,742	2,129	–	–	215	196

	SERIES I		SERIES O		SERIES PRIVATE WEALTH	
	2021	2020	2021	2020	2021	2020
Net assets attributable to securityholders, beginning of period	685	1,101	2,824	6,040	43	–
Increase (decrease) in net assets attributable to securityholders resulting from:						
Operations	–	3	2	30	–	–
Distributions:						
Income	(1)	(3)	(2)	(23)	–	–
Capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–
Total distributions	(1)	(3)	(2)	(23)	–	–
Security transactions:						
Proceeds from sale of securities	169	1,087	65	913	–	–
Proceeds from securities issued on merger	–	–	–	–	–	–
Reinvested from distributions	1	3	2	23	–	–
Payment on redemption of securities	(144)	(922)	(2,891)	(497)	–	–
Total security transactions	26	168	(2,824)	439	–	–
Increase (decrease) in assets attributable to securityholders	25	168	(2,824)	446	–	–
Net assets attributable to securityholders, end of period	710	1,269	–	6,486	43	–
Increase (decrease) in securities (in thousands):						
Securities outstanding, beginning of period	68	110	282	605	4	–
Add (deduct):						
Securities sold	17	109	7	91	–	–
Securities issued on merger	–	–	–	–	–	–
Reinvested from distributions	–	–	–	2	–	–
Securities redeemed	(14)	(92)	(289)	(50)	–	–
Securities outstanding, end of period	71	127	–	648	4	–

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the periods ended September 30 (unaudited)
(in \$ 000)

	2021	2020
Cash flows from operating activities		
Increase (decrease) in net assets attributable to securityholders from operations	14	39
Less non-cash impact of:		
Net realized loss (gain) on investments	—	—
Change in net unrealized loss (gain) on investments	—	—
Distributions received from Underlying Funds	—	—
Adjustments for:		
Proceeds from sale and maturity of investments	242,266	202,172
Purchases of investments	(237,398)	(203,021)
(Increase) decrease in accounts receivable and other assets	16	37
Increase (decrease) in accounts payable and other liabilities	—	—
Net cash provided by (used in) operating activities	4,898	(773)
Cash flows from financing activities:		
Proceeds from securities issued	10,235	14,799
Proceeds from securities issued on merger	—	—
Payments on redemption of securities	(13,603)	(14,018)
Distributions paid net of reinvestments	—	(7)
Net cash provided by (used in) financing activities	(3,368)	774
Increase (decrease) in cash	1,530	1
Cash (Bank indebtedness) at beginning of period	18	—
Effect of exchange rate fluctuations on cash	—	—
Cash, end of period	1,548	1
Cash	1,548	1
Bank indebtedness	—	—
	1,548	1
Supplementary disclosures on cash flow from operating activities:		
Dividends received net of withholding taxes	—	—
Interest received	36	151
Interest paid	—	—
Income taxes paid (recovered)	—	—

SCHEDULE OF INVESTMENTS

as at September 30, 2021 (unaudited)

	Country	Sector	Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS					
Alectra Inc. 3.03% 07-25-2022	Canada	Corporate	30,000	31	31
Bank of Montreal 1.61% 10-28-2021 DPNT	Canada	Corporate	380,000	383	383
Bank of Montreal 2.12% 03-16-2022 DPNT	Canada	Corporate	160,000	162	162
Bank of Montreal F/R 02-16-2022	Canada	Corporate	40,000	40	40
The Bank of Nova Scotia 1.90% 12-02-2021 DPNT	Canada	Corporate	160,000	161	161
The Bank of Nova Scotia 1.83% 04-27-2022	Canada	Corporate	100,000	101	101
BMW Canada Inc. 2.15% 11-26-2021	Germany	Corporate	69,000	70	70
Canada Housing Trust No. 1 F/R 03-15-2022	Canada	Federal Government	740,000	743	743
Canada Housing Trust No. 1 F/R 09-15-2022	Canada	Federal Government	460,000	462	462
Federation des Caisses Desjardins du Quebec 2.09% 01-17-2022	Canada	Corporate	210,000	213	213
HSBC Bank Canada 2.17% 06-29-2022	Canada	Corporate	130,000	132	132
HSBC Bank Canada 2.25% 09-15-2022	Canada	Corporate	100,000	102	102
John Deere Canada Funding Inc. 2.70% 10-12-2021	United States	Corporate	100,000	101	101
OMERS Realty Corp. 1.82% 05-09-2022 Callable	Canada	Corporate	40,000	40	40
OPB Finance Trust 1.88% 02-24-2022 Series D	Canada	Provincial Governments	250,000	253	253
Province of Ontario F/R 06-27-2022	Canada	Provincial Governments	4,000,000	4,011	4,011
Province of Quebec F/R 04-19-2022	Canada	Provincial Governments	231,000	232	232
Royal Bank of Canada 1.97% 03-02-2022 DPNT	Canada	Corporate	180,000	182	182
Royal Bank of Canada 2.00% 03-21-2022	Canada	Corporate	60,000	61	61
Royal Bank of Canada F/R 06-27-2022	Canada	Corporate	70,000	70	70
Toronto Hydro Corp. 3.54% 11-18-2021	Canada	Corporate	30,000	30	30
The Toronto-Dominion Bank 2.62% 12-22-2021	Canada	Corporate	430,000	437	437
The Toronto-Dominion Bank 1.99% 03-23-2022	Canada	Corporate	220,000	223	223
Toyota Credit Canada Inc. 2.02% 02-28-2022	Canada	Corporate	38,000	38	38
				<u>8,278</u>	<u>8,278</u>
MONEY MARKET INSTRUMENTS					
Bank of China (Canada) 0.52% 01-18-2022		Corporate	100,000	100	100
The Bank of Nova Scotia 0.26% 11-16-2021		Corporate	300,000	299	299
BCI Quadreal Realty 0.26% 10-01-2021		Corporate	95,000	95	95
BCI Quadreal Realty 0.25% 10-25-2021		Corporate	417,000	417	417
BCI Quadreal Realty 0.25% 11-01-2021		Corporate	70,000	70	70
Canadian Imperial Bank of Commerce 0.25% 11-19-2021		Corporate	530,000	529	529
Canadian Imperial Bank of Commerce 0.25% 12-03-2021		Corporate	250,000	250	250
Canadian Imperial Bank of Commerce 0.25% 12-14-2021		Corporate	150,000	150	150
Central 1 Credit Union 0.24% 12-09-2021		Corporate	80,000	80	80
Central 1 Credit Union 0.24% 12-15-2021		Corporate	140,000	140	140
Energir Inc. 0.23% 10-27-2021		Corporate	60,000	60	60
Government of Canada 0.17% 10-07-2021		Federal Government	700,000	699	699
Manulife Bank of Canada 0.40% 11-15-2021		Corporate	200,000	199	199
Manulife Financial Corp. 0.25% 12-01-2021		Corporate	60,000	60	60
Nova Scotia Power Inc. 0.22% 10-25-2021		Corporate	80,000	80	80
Nova Scotia Power Inc. 0.22% 10-27-2021		Corporate	110,000	110	110
Prime Trust 0.23% 11-22-2021		Corporate	160,000	160	160
Province of Alberta 0.20% 11-25-2021		Provincial Governments	500,000	499	499
Province of Newfoundland and Labrador 0.20% 12-07-2021		Provincial Governments	1,700,000	1,699	1,699
Province of Newfoundland and Labrador 0.21% 12-07-2021		Provincial Governments	1,000,000	999	999
Province of Ontario 0.18% 12-29-2021		Provincial Governments	200,000	200	200
Ridge Trust 0.23% 10-07-2021		Corporate	100,000	100	100
Royal Bank of Canada 0.20% 10-01-2021		Corporate	2,359,000	2,359	2,359
Royal Bank of Canada 0.22% 10-04-2021		Corporate	300,000	300	300
Safe Trust 0.24% 11-18-2021		Corporate	265,000	265	265
Sound Trust 0.24% 11-18-2021		Corporate	230,000	230	230
Stable Trust 0.24% 11-18-2021		Corporate	20,000	20	20
Sure Trust 0.24% 11-18-2021		Corporate	170,000	170	170
Toyota Motor Credit Corp. 0.31% 06-21-2022		Corporate	300,000	299	299
				<u>10,638</u>	<u>10,638</u>
TOTAL INVESTMENTS				<u>18,916</u>	<u>18,916</u>
Net Assets					
Total investments					18,916
Cash					1,548
Other net assets (liabilities)					(140)
					<u>20,324</u>

Schedule of Asset Composition

at September 30, 2021 (unaudited)

	% of net assets
BY ASSET TYPE	
Corporate	44.9
Provincial Governments	38.8
Federal Government	9.4
Cash	7.6
Other	(0.7)
Total	100.0

COUNTRY ALLOCATION

Canada	91.5
United States	0.5
Europe ex U.K.	0.4
Cash	7.6
Total	100.0

at March 31, 2021

	% of net assets
BY ASSET TYPE	
Corporate	37.4
Federal Government	31.7
Provincial Governments	31.3
Municipal Governments	1.3
Cash	0.1
Other	(1.8)
Total	100.0

COUNTRY ALLOCATION

Canada	101.3
United States	0.4
Cash	0.1
Other	(1.8)
Total	100.0

NOTES TO INTERIM UNAUDITED FINANCIAL STATEMENTS**1. FISCAL PERIODS AND GENERAL INFORMATION**

The information provided in these financial statements and notes thereto is for the six-month period ended or as at September 30, 2021 and 2020, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2021, as applicable. In the year a series is established, 'period' represents the period from inception to the period end of that fiscal period. In a year in which a series is terminated, 'period' represents the period from April 1 to the date of the series' termination. Refer to Note 9 (a) for series inception and termination dates.

The Fund is organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 5015 Spectrum Way, Suite 300, Mississauga, Ontario, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus and/or exempt distribution options.

Counsel Portfolio Services Inc. (the "Manager" or "Counsel") acts as the Fund's manager and trustee.

2. BASIS OF PREPARATION AND PRESENTATION

These unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2021. A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional currency, and rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by Counsel's Board of Directors on November 11, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES**(a) Financial Instruments**

Financial instruments include financial assets and liabilities such as debt and equity securities, investment funds, and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9 Financial Instruments. Upon initial recognition, financial instruments are classified as fair value through profit or loss ("FVTPL"). All financial instruments are recognized in the Statements of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are designated on initial recognition as FVTPL with changes in fair value recognized in the Statement of Comprehensive Income – Net unrealized gain (loss).

Realized and unrealized gains and losses on investments are calculated based on average cost of investments.

Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

The Fund accounts for its investments at FVTPL. Counsel has concluded that the investment funds in which the Fund invests, do not meet the definition of structured entities.

The Fund's redeemable securities entitle securityholders the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund, amongst other contractual rights. The Fund's redeemable securities meet the criteria for classification as financial liabilities under IAS 32, *Financial Instruments: Presentation*. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

IAS 7, *Statement of Cash Flows*, requires disclosures related to changes in liabilities and assets, such as the securities of the Fund, arising from financing activities. Changes in securities of the Fund, including both changes from cash flows and non-cash changes, are included in the Statement of Changes in Financial Position. Any changes in the securities not settled in cash as at the end of the period are presented as either Accounts receivable for securities issued or Accounts payable for securities redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after period-end.

(b) Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments are valued at cost which, together with accrued interest, approximates fair value. The cost of investments is determined on a weighted average cost basis. Fair value of investments is determined based on the last traded market price where this price falls within the quoted bid-ask spread for the investment. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The Fund's financial instruments carried at fair value are classified using the following fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly including quoted prices on inactive markets and from recognized investment dealers; and

Level 3 – Inputs that are not based on observable market data.

As at September 30, 2021, all investments were classified as Level 1. There were no transfers between Level 1 and Level 2 during the periods.

(c) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method.

Income, realized gains (losses), and unrealized gains (losses) are allocated daily among the series on a pro-rata basis.

(d) Securities lending, repurchase and reverse repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statements of Comprehensive Income and recognized when earned. Securities lending transactions are administered by the Canadian Imperial Bank of Commerce (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased.

(e) Net assets attributable to securityholders per security

Net assets attributable to securityholders per security is computed by dividing the net assets attributable to securityholders of a series of securities on a business day by the total number of securities of the series outstanding on that day.

(f) Net asset value per security

Net asset value per security is determined for the purchase and redemption of securities in accordance with the methods disclosed in the Fund's Simplified Prospectus and Annual Information Form. These methods may vary from valuation principles under IFRS. As at September 30, 2021 and March 31, 2021, there were no such differences.

(g) Increase (decrease) in net assets attributable to securityholders from operations per security

Increase (decrease) in net assets attributable to securityholders from operations per security in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to securityholders from operations for the period, divided by the weighted average number of securities outstanding during the period.

(h) Future Accounting Changes

Counsel has determined there are no material implications to the Fund's financial statements arising from IFRS issued but not yet effective.

NOTES TO INTERIM UNAUDITED FINANCIAL STATEMENTS**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

Ongoing uncertainty regarding the duration and long-term impact of the COVID-19 pandemic and the implementation of vaccination programs, as well as the efficacy of government and central bank monetary and fiscal interventions, may continue to affect the Fund's performance in future periods.

Use of Judgments

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. The Manager has considered the Fund's business model, commitments to securityholders, and the manner in which investments are managed and evaluated as a group and has determined that irrevocable designation of financial instruments as financial assets or financial liabilities at fair value through profit or loss provides the most appropriate measurement and presentation of the Fund's investments and financial instruments.

Functional Currency

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

5. INCOME TAXES

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable. The Fund's taxation year end is December 31.

Losses of the Fund cannot be allocated to securityholders and are retained in the Fund for use in future years. Non-capital losses incurred may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Net capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 9 (d) for a summary of the Fund's loss carryforwards.

6. MANAGEMENT FEES AND OPERATING EXPENSES

Counsel is paid a management fee for arranging for the management of the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio and making arrangements with registered dealers for the purchase and sale of securities of the Fund by securityholders.

Each series of the Fund, excluding Series 0, is charged a fixed rate annual administration fee ("Administration Fee"), as applicable, and in return, Counsel bears all of the operating expenses of the Fund, other than certain specified fund costs.

Other fund costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, all fees and expenses of the Counsel Funds' Independent Review Committee, costs of complying with the regulatory requirement to produce Fund Facts, and any new fees related to external services that were not commonly charged in the Canadian mutual fund industry after the date of the Fund's most recently filed Simplified Prospectus.

Counsel may waive or absorb management fees and/or Administration Fees at its discretion and stop waiving or absorbing such fees at any time without notice. Refer to Note 9 (a) for the management fee and Administration Fee rates charged to each series of securities.

7. FUND'S CAPITAL

The capital of the Fund is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 2021 and 2020 and securities issued, reinvested and redeemed for the period are presented in the Statements of Changes in Financial Position. Counsel manages the capital of the Fund in accordance with the investment objectives and strategies as discussed in Note 8 (a).

8. FINANCIAL INSTRUMENTS RISK**(a) Risk exposure and management**

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, grouped by asset type, with geographic and sector information.

The Manager seeks to minimize potential adverse effects of financial risks on the Fund's performance by employing professional, experienced portfolio advisors, by monitoring the Fund's positions and market events daily, by diversifying the investment portfolio within the constraints of the Fund's investment objectives and strategies, as disclosed in Note 9 (b), and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, Counsel also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines, and securities regulations.

(b) Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund's liquidity against pre-determined minimum liquidity percentages, established for different time periods. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions. In order to comply with securities regulations, the Fund must maintain at least 85% of its assets in liquid investments (i.e. investments that can be readily sold).

Other investment funds managed by Counsel ("Top Funds") may invest in Series 0 securities offered by the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds.

From time to time, these holdings may be rebalanced by either reducing an allocation to the Fund or eliminating such investments in the Fund entirely. In either case, depending on the size of the investment by a large investor, this could cause a significant redemption from the Fund. Meeting such a redemption may require the Fund to sell portfolio holdings. This could result in the Fund selling a particular holding before it has achieved the valuation sought by the Manager thus affecting Fund returns. This could also result in the Fund realizing capital gains on its holdings earlier than planned, which could result in capital gains distributed to investors in the Fund (which could result in income tax payable by the investor) that might not have occurred or might have occurred at a later date.

For the amounts held by and the changes thereto during the period pertaining to Series 0, please refer to the amounts disclosed in the Statement of Financial Position and Statement of Changes in Financial Position.

(c) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment into which it has entered with the Fund. Note 9 (c) summarizes the Fund's exposure, if applicable and significant, to credit risk through fixed income instruments. Where presented, credit ratings and rating categories are based on ratings issued by a designated rating organization.

All transactions in listed securities are executed with approved brokers.

To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

The carrying amount of investments and other assets represents the maximum credit risk exposure as at the dates of the Statements of Financial Position. The Fund may enter into securities lending transactions with counterparties and it may also be exposed to credit risk from the counterparties to the derivative instruments it may use. Credit risk associated with these transactions is considered minimal as all counterparties have an approved credit rating equivalent to a Standard & Poor's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt, as applicable.

NOTES TO INTERIM UNAUDITED FINANCIAL STATEMENTS**8. FINANCIAL INSTRUMENTS RISK (CONTINUED)****(d) Currency risk**

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's functional currency, will fluctuate due to changes in exchange rates. Generally, foreign denominated investments increase in value when the value of the Canadian dollar (relative to foreign currencies) falls. Conversely, when the value of the Canadian dollar rises relative to foreign currencies, the values of foreign denominated investments fall.

As at September 30, 2021 and 2020, the Fund did not have a significant exposure to currency risk.

(e) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Generally, these securities increase in value when interest rates fall and decrease in value when interest rates rise.

As at September 30, 2021 and 2020, the Fund did not have a significant exposure to interest rate risk as its investments have short terms to maturity.

(f) Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategy.

As at September 30, 2021 and 2020, the Fund did not have a significant exposure to other price risk.

NOTES TO INTERIM UNAUDITED FINANCIAL STATEMENTS

All figures stated in \$000s of Canadian dollars, except for Note 9(a), unless otherwise noted

9. FUND SPECIFIC INFORMATION**(a) Series information**

Series	Date of Inception	Minimum Investment (\$)	Management Fee ⁶ (%)	Administration Fee ⁶ (%)
Series A ¹	February 15, 2000	1,000	0.95	0.16
Series C ^{1,5}	January 26, 2007	1,000	0.70	0.16
Series F ²	November 27, 2009	1,000	0.70	0.15
Series I ^{2,3,6}	January 21, 2008	1,000	–	0.15
Series O ⁴	January 13, 2016	–	–	–
Series Private Wealth ⁷	October 19, 2020	–	–	0.15

¹ Series A and C are subject to sales or redemption charges; these charges are based on purchase options chosen. Securities purchased under the sales charge option may be subject to a negotiated fee of up to 5% at time of initial purchase. Securities previously purchased under the redemption charge or low-load options may be subject to a redemption fee of up to 5% or 2% respectively (based on date of initial purchase); new securities are not available under these options but may be acquired through switching from other Counsel funds.

² A negotiable advisory or asset-based fee (plus sales taxes) is payable by investors to their dealer(s) in connection with the securities held in this series. The fee may be collected by Counsel from the investor's account through redemption of securities and remitted to the dealer at the investor's request. Alternatively, the dealer may collect it directly from the investor.

³ The management fee for this series is 0.70% and is payable directly to Counsel generally through the monthly redemption of securities.

⁴ There are no management or administration fees for this series since these securities are designed to facilitate fund-of-fund investing where duplication of management fees is prohibited. This series was terminated effective August 23, 2021.

⁵ This series is only available to investors utilizing the Counsel Advisor-Directed Rebalancing ("Counsel ADR") service.

⁶ Counsel may, at its discretion, waive or lower the management fee (either directly or indirectly) and/or administration fee payable by investors. Individual investors may be eligible for a management fee reduction subject to meeting certain requirements as discussed in the Fund's Simplified Prospectus.

⁷ There are no management fees for Series Private Wealth. An investor must enter into an agreement to participate in the IPC One Program offered by IPC Securities and agree to pay certain asset-based fees.

(b) Investment Objectives and Strategies

The investment portfolio is comprised primarily of high-quality short-term Canadian money market securities and floating rate notes. The Fund selects investments that include short-term debt issued or guaranteed by federal, provincial or municipal governments, promissory notes, non-government obligations issued by chartered banks and commercial paper issued by corporations.

(c) Risks Associated with Financial Instruments

i. Currency Risk

As at September 30, 2021 and March 31, 2021, the Fund did not have a significant exposure to currency risk.

ii. Interest Rate Risk

As at September 30, 2021 and March 31, 2021, the Fund did not have a significant exposure to interest rate risk as its investments have short terms to maturity.

iii. Other Price Risk

As at September 30, 2021 and March 31, 2021, the Fund did not have a significant exposure to other price risk.

i. Credit Risk

The Fund's greatest concentration of credit risk is in short-term debt securities. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

	September 30, 2021	March 31, 2021
	% of Net Assets	% of Net Assets
R1 (High)	43.2	64.9
R1 (Mid)	30.4	21.4
R1 (Low)	18.5	14.5
Unrated	1.0	0.9
Total	93.1	101.7

As at September 30, 2021, the maximum exposure to any one debt issuer was 22.0% of net assets (March 31, 2021 – 31.7%).

Credit ratings are based on DBRS, Standard & Poor's or Moody's ratings.

(d) Loss Carryforwards

Non-Capital Losses carryforward	Net Capital Losses carryforward
\$Nil	\$Nil

COUNSEL | PORTFOLIO SERVICES

Client Services 180 Queen St. W., Toronto, ON M5V 3K1 • Toll-Free: 1-877-216-4979 • Fax: (416) 922-5660
Sales & Marketing 5015 Spectrum Way, Suite 300, Mississauga ON L4W 0E4 • Toll-Free: 1-877-625-9885 • Fax: 1-844-378-6247